GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:740
ANSWERED ON:25.07.2003
DUTY EXEMPTION TO IMPORTERS
SHEESH RAM SINGH RAVI

Will the Minister of FINANCE be pleased to state:

(a) whether C & AG in Para 8.1 of its Report No.10 of 2003 (Indirect Taxes-Customs) brought out that benefit of exemption of special additional duty (SAD) amounting to Rs.54.34 lakh was extended to importers;

(b) if so, the reasons for giving the above said benefit to the imports; and

(c) The reaction of the Government to the C & AG`s observation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) Yes, Sir.

(b) The exemption was available if the imported goods were sold as such in India, in a place other than a Sales Tax Free Zone and the importer filed a declaration to this effect. The benefit was extended on the basis of such a declaration filed by the importer.

However, subsequently it was found that they had violated the conditions of the declaration by way of selling part of the imported Rapeseed Oil in a sales tax free zone and the remaining part had to be refined (and not sold as such).

(c) The point raised by C & AG in para 8.1 of their report has been accepted by the Government and action has been initiated for recovery of the benefit wrongly availed of by the importer.